

Health

To make our economy stronger, the President believes we must make health care more affordable and give families greater access to good coverage and more control over their health decisions. The President's 2006 Budget furthers his commitment to extending the benefits of modern medicine, controlling the rising costs of medical care, and giving more Americans access to health insurance.

Supporting Affordable Health Care:

- The President has proposed a comprehensive, consumer-driven plan to address the problems of rising health care costs and the uninsured. His plan includes: expanded coverage of low-income children; Health Savings Accounts (HSAs); Association Health Plans (AHPs); and tax credits for low-income families to buy insurance.
- The plan includes:
 - **Affordable Health Care for Low-Income Families:**
 - **Traditional Health Insurance Tax Credit**—With this option, the credit would pay for 90 percent of the cost of the premium for standard coverage (up to a maximum of \$1,000 for an individual and \$3,000 for a family of four);
 - **Health Insurance Tax Credit with HSA**—This would allow individuals to use a portion of the credit to pay the premiums for a high-deductible health plan, while putting the remaining portion of the credit in an HSA. The money in the HSA would belong to the individual and would be used to pay for medical expenses. Unspent funds would roll over for use in the following year;
 - **State Purchasing Pools**—To help low-income individuals purchase coverage with the health insurance tax credit, the Administration proposes providing \$4 billion in grants to States to establish purchasing pools; and
 - **Cover the Kids**—The 2006 Budget proposes Cover the Kids, a national outreach campaign that will provide \$1 billion in grants over two years to enroll as many Medicaid- and SCHIP-eligible children as possible. The State Children's Health Insurance Program (SCHIP) makes available approximately \$40 billion over 10 years for States to provide health care coverage to targeted low-income, uninsured children. Since the beginning of the Administration, enrollment in SCHIP has grown by over one million children to a total of approximately 5.8 million in 2003.
 - In addition to proposing an increase in Federal resources for covering the uninsured, the Administration proposes to modernize Medicaid and SCHIP by providing States with additional flexibility in Medicaid to further increase coverage among low-income individuals and families without creating additional costs for the Federal Government. This proposal would build on the success of SCHIP to provide acute care for children and families, as well as current efforts to reduce the number of uninsured individuals.
 - **Affordable Health Care for Middle-Income Families:**
 - **Above-the-Line Deduction for Certain Health Insurance Premiums**—Under this proposal, all individuals who purchase a high-deductible health plan in conjunction with a Health Savings Account would be allowed to deduct the amount of the health plan's premium from their taxable income even if they do not itemize their deductions; and

- **National Marketplace for Health Insurance**—The Administration proposes creating a national marketplace to allow individuals to shop for the best buy on health coverage no matter where they live.
- **Affordable Health Care for Small Businesses:**
 - **Association Health Plans (AHPs)**—To improve access to health benefits for workers in small businesses, the President has called for legislation to authorize Association Health Plans (AHPs), which would allow small businesses to join together through industry and professional associations to purchase affordable health benefits for their workers. In addition, the President supports expanded AHPs, which would be available to civic, faith-based, and community organizations.
 - **Rebate to Small Employers Contributing to Employees' HSAs**—To encourage small employers to contribute to their employees' health savings accounts, the Administration proposes a refundable tax credit for a portion of these contributions.

Improving Community Health Centers:

- In 2006, the President requests \$2 billion for Health Centers that will serve an estimated 16 percent of the Nation's population at or below 200 percent of the Federal Poverty Level. These centers often provide primary health care to low-income Americans, thus reducing costs to hospital emergency rooms and improving patient outcomes by providing preventive care.
- The Budget will complete the President's commitment to create 1,200 new or expanded Health Center sites to serve an additional 6.1 million people by 2006.
- The Budget also includes \$26 million to fund 40 new Health Center sites in high-poverty counties, beginning the commitment to open a community or rural health center in every poor county that can support one.

Improving Medicare and Medicaid:

- **Medicare**—The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) created improvements to the Medicare program, providing beneficiaries with more choices and enhanced benefits. Seniors and individuals with disabilities will have access to more modern, higher-quality health care. Funding for the Medicare program is projected to be \$340 billion in 2006, including the following enhancements:
 - **Medicare Advantage**—The MMA created the Medicare Advantage program to offer more choices and better benefits to Medicare beneficiaries through competition among private health insurance plans. In 2006, 16 percent of beneficiaries are expected to be enrolled in Medicare Advantage plans, a percentage that is projected to increase nearly 30 percent by 2013.
 - **Medicare Prescription Drug Benefit**—Beginning January 1, 2006, Medicare beneficiaries will be eligible for a subsidized prescription drug benefit that helps lower their drug costs. They will have their choice of enrolling in either prescription drug-only plans or Medicare Advantage drug plans. In addition, Medicare will provide generous additional assistance to low-income beneficiaries. For those beneficiaries with incomes below 135 percent of poverty, they will pay no monthly premium, no deductible and very small co-payments per prescription. Beneficiaries with incomes between 135 and 150 percent of poverty will pay reduced premiums, a \$50 deductible, and reduced cost-sharing.

- **Medicaid**—Medicaid provides needed medical services to low-income Americans. The FY 2006 Budget devotes the resources necessary for this care, spending \$2.8 trillion in federal dollars on this program over the next decade. The Budget will also include a proposal to provide States with added flexibility to enable them to continue providing coverage to needy individuals and families, while bolstering Medicaid's financial sustainability by improving program integrity.

Reforming our Medical Liability System:

- Reforms to medical liability law will increase access to quality, affordable health care for all Americans, while reducing frivolous and time-consuming legal proceedings against doctors and health care providers.

Promoting Health Information Technology:

- The 2006 Budget includes \$125 million to continue progress in developing health information technology, including \$75 million to foster collaboration and develop the conceptual framework and infrastructure for a network that would promote patient privacy, connect clinicians, personalize care, and improve public health surveillance.
- The President's budget would help meet his goal of assuring most Americans have electronic health records.

Battling HIV/AIDS:

- The Budget devotes almost \$18 billion for domestic AIDS prevention, treatment, and research, including almost \$2.1 billion for the Ryan White CARE Act program (and its comprehensive approach to address the health needs of persons living with HIV/AIDS.)
- Under the President's five-year, \$15 billion Emergency Plan for AIDS Relief, the Administration has moved quickly and efficiently to mobilize the scientific and programmatic expertise, leadership, and resources of HHS and other Federal government agencies and their partners both here and abroad.

Strengthening the Safety of Medical Products:

- In addition, the 2006 Budget proposes a 24-percent increase for the FDA Office of Drug Safety to enable FDA to continue its long track record of success in providing safe and effective medical products to American consumers.

Protecting the Nation from the Threat of an Influenza Pandemic:

- The Administration is committed to improving influenza vaccine supply, protecting against another influenza vaccine shortage, and helping to prepare for a possible pandemic.
- The Budget builds on the progress of the last four years with a \$20-million increase for influenza vaccinations for children and other vulnerable populations and proposes \$30 million to expand the Nation's vaccine supply.
- The Budget also includes an increase to enhance global disease surveillance and a \$21-million increase to work with manufacturers to increase the availability of additional U.S.-licensed vaccine to meet increased supply needs, especially during an influenza pandemic.

Sustaining Biomedical Research for Future Cures:

- The Administration has demonstrated its strong commitment to biomedical research by completing a five-year doubling of the NIH budget in 2003.
- The 2006 Budget re-requests the record \$28.6 billion not fully appropriated in 2005 to sustain NIH's key role in uncovering new knowledge that will lead to better health for all Americans.

- To better integrate research across its 27 Institutes and Centers, NIH is developing additional decision support tools to improve the management of its large and complex scientific portfolio. This will allow NIH to more efficiently address important areas of emerging scientific opportunities and public health challenges.